

Statement of Congresswoman Betty McCollum
Subcommittee on State Foreign Operations and Related Programs
FY 2011 U.S. Department of Treasury International Programs
Secretary of the Treasury Timothy Geithner

Mr. Secretary, your testimony states that every \$1 invested in the World Bank results in \$26 worth of development assistance delivered. For that very reason I support the U.S. role in advancing the important development work of the World Bank.

Unfortunately, this subcommittee has recently heard misinformation and flat out distortions that undermine the important role the U.S. plays with the World Bank.

In this subcommittee during a recent hearing with Secretary Clinton the statement was made, "Imagine how confused Ahmadinejad is receiving a check from the World Bank, from the Obama Administration." (Rep. Mark Kirk)

Sec. Geithner, is the Obama Administration providing taxpayer funds to the World Bank - through the IBRD, the IFC, or IDA - that then go to assist Iranian President Ahmadinejad?

So the idea of taxpayer funds to Tehran is false and absolutely not true?

Regarding sanctions on Iran, a group of former Bush administration national security officials lead an organization called "United Against Nuclear Iran." This organization recently exposed an Illinois based company - Caterpillar - for profiting from selling machinery, including "tunnel drilling equipment," to Iran through a subsidiary.

United Against Nuclear Iran, in a letter to Caterpillar's CEO James Owens, states: "in the face of overwhelming bipartisan support in the U.S. Congress to economically isolate Iran's oil and natural gas industry, Caterpillar continues to make its machinery available for use in the development of Iran's oil industry."

The letter further states, "UANI calls on Caterpillar to clarify, definitively, whether its tunneling equipment or heavy machinery in Iran is used in the development and construction of Iran's nuclear facilities."

The prospect that an Illinois company's equipment is right now digging tunnels to assist Iran's nuclear program is very troubling.

Caterpillar's CEO responded by stating, "Caterpillar's foreign subsidiaries have conducted limited sales to independent dealers outside Iran, which in turn sell to customers inside Iran."

Mr. Secretary, as we all know money is fungible, so when a U.S. company's product is sold in Iran through foreign subsidiaries a company like Caterpillar profits and then uses those profits to influence policy makers - undermining our efforts at sanctions.

Mr. Secretary, what does Congress need to do to strengthen sanctions and prevent companies like Caterpillar from profiting in Iran?

Madam Chair, I think all of us need to take a serious look at Caterpillar's involvement with us here individually on the Hill.